

From: Rick Wilcox
To: Baker, Paul
Date: 1/6/05 9:45AM
Subject: Re: Seep Ridge

*Please file
M/047/002*

John Blake has asked me to respond to your email. There's no doubt that the water right will be approved. We have a \$10,000.00 bond from Alameda to ensure maintenance and plugging of the well if necessary. It seems to me that you can release the bond .

>>> Paul Baker 1/6/2005 8:51:56 AM >>>

Matt Crockett informed me that Alameda and SITLA have entered a Memorandum of Agreement for operation of the well at Seep Ridge and that SITLA has filed a water right application. I'm wondering if DOGM should wait until the water right is approved to release Geokinetics' bond or if the MOA and application are sufficient. At this point, would either SITLA or Alameda be responsible for plugging the well should that be necessary? If so, I'm thinking Geokinetics is not responsible for it any more. What are your thoughts?

CC: Blake, John; Sweigert, Susan